

126 FERC ¶ 61,089
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Acting Chairman;
Sudeen G. Kelly, Marc Spitzer,
and Philip D. Moeller.

California Independent System Operator Corporation Docket Nos. ER06-615-025
ER07-1257-007

ORDER GRANTING IN PART AND DENYING IN PART
CLARIFICATION AND REHEARING

(Issued February 3, 2009)

1. In this order, the Commission addresses requests for clarification or, in the alternative, rehearing of a Commission order issued on June 20, 2008, conditionally accepting, subject to modification, compliance filings regarding the California Independent System Operator Corporation's (CAISO) Market Redesign and Technology Upgrade (MRTU).¹ For the reasons discussed below, we grant the CAISO's request for rehearing with respect to allocation of tier 2 bid costs, and grant in part the California Department of Water Resources - State Water Project's (SWP) request for clarification with respect to the CAISO's allocation of Residual Unit Commitment (RUC) costs.

I. Background

2. On February 9, 2006 the CAISO submitted its MRTU tariff for Commission approval. The MRTU tariff was conditionally accepted by the Commission in an order issued on September 21, 2006.² In its September 2006 Order, the Commission also ordered the CAISO to make various changes to the MRTU tariff, and directed that all modifications be included in a series of compliance filings. In response to the September 2006 Order's directives, the CAISO submitted compliance filings on November 20, 2006, December 20, 2006, and March 20, 2007.

¹ *Cal. Indep. Sys. Operator Corp.*, 123 FERC ¶ 61,285 (2008) (June 20 Order).

² *Cal. Indep. Sys. Operator Corp.*, 116 FERC ¶ 61,274 (2006) (September 2006 Order).

3. On April 20, 2007, the Commission issued an order in response to requests for rehearing and clarification of the September 2006 Order.³ In its April 2007 Order, the Commission upheld most of the determinations from the September 2006 Order, but found several suggested changes that would improve the MRTU tariff and directed that those changes be made.

4. In an order issued on June 25, 2007, the Commission accepted, subject to certain modifications, the CAISO's November 20, 2006 and December 20, 2006 compliance filings.⁴ The Commission also directed further modifications to the MRTU tariff to be submitted with the compliance filing the CAISO was required to make.

5. On August 3, 2007, as supplemented on August 10, 2007, the CAISO submitted compliance filings (August 2007 Compliance Filings) in response to the directives of the Commission's September 2006 Order, April 2007 Order, and June 2007 Order. In these filings, the CAISO included tariff changes to comply with these previous Commission orders, as well as a number of changes in addition to the CAISO's compliance obligations. The Commission approved, subject to modification, the resource adequacy portions of the August 2007 Compliance Filings on January 9, 2008.⁵ On March 24, 2008, the Commission issued an order addressing the Business Practice Manual issues raised by the August 2007 Compliance Filings.⁶

6. In the June 20 Order, the Commission addressed the remaining MRTU tariff revisions proposed by the CAISO in the August 2007 Compliance Filings. The Commission also addressed in that order the CAISO's March 20, 2007 compliance filing.

II. Requests For Rehearing

7. On July 21, 2008, SWP,⁷ Southern California Edison Company (SoCal Edison),⁸ and the CAISO⁹ filed requests for clarification or, in the alternative, rehearing of the

³ *Cal. Indep. Sys. Operator Corp.*, 119 FERC ¶ 61,076 (2007) (April 2007 Order).

⁴ *Cal. Indep. Sys. Operator Corp.*, 119 FERC ¶ 61,313 (2007) (June 2007 Order).

⁵ *Cal. Indep. Sys. Operator Corp.*, 122 FERC ¶ 61,017 (2008).

⁶ *Cal. Indep. Sys. Operator Corp.*, 122 FERC ¶ 61,271 (2008).

⁷ SWP July 21, 2008 Filing (SWP rehearing request).

⁸ SoCal Edison July 21, 2008 Filing (SoCal Edison rehearing request).

⁹ CAISO July 21, 2008 Filing (CAISO rehearing request).

Commission's June 20 Order. SWP seeks clarification, or in the alternative, rehearing regarding the CAISO's allocation of RUC costs, such that those costs are not allocated to participating load that increases energy consumption upon a CAISO request or when it responds to price signals. SoCal Edison requests clarification or rehearing with respect to the CAISO's definition and activation of new RUC zones. The CAISO seeks clarification or rehearing of the Commission's directives in the June 20 Order regarding allocation of tier 2 of the integrated forward market (forward market) bid cost recovery uplift payment costs to metered subsystem entities.

8. On August 4, 2008, answers to the CAISO Rehearing Request were filed by the Northern California Power Agency (NCPA) and the City of Santa Clara, California (Santa Clara). Pursuant to Rule 713(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. §385.713(d) (2008), answers to requests for rehearing are not permitted. Accordingly, we will reject the answers filed by NCPA and Santa Clara.

III. Discussion

A. Allocation of Tier 2 Bid Cost Recovery Uplift Payments Costs

9. In its August 2007 Compliance Filings, the CAISO proposed to allocate forward market bid costs¹⁰ to metered subsystem entities under a two-tier process. In the first tier, all metered subsystem entities would be subject to pay their portion of forward market bid costs based on the difference between the total demand in the day-ahead schedule for the scheduling coordinator for the metered subsystem entity and the generation from the self-schedules in the day-ahead schedule of that scheduling coordinator, plus imports for that scheduling coordinator in the day-ahead schedule. In the second tier, metered subsystem operators have two options: (1) to follow load, settle on a net basis, or both and be allocated forward market bid costs based on their metered subsystem aggregation net measured demand; or (2) to not follow load and settle on a gross basis and be allocated forward market bid costs based on measured demand.¹¹

¹⁰ According to the CAISO, bid costs include start-up costs, minimum load costs, energy bid costs, pump shut-down costs, pumping costs, ancillary services bid costs, and RUC availability payments. *See* CAISO rehearing request at 11.

¹¹ "Measured demand" refers to the metered CAISO demand plus real-time interchange export schedules (the final agreed-upon schedules of energy to be transferred from the CAISO control area to another control area based on certain delivery and receipt specifications between the control areas to the transaction). "Metered subsystem aggregation net measured demand" refers to the sum of all net-metered CAISO demand (the difference between the CAISO demand and generation internal to the specific metered subsystem) from all net-load metered subsystems in the metered subsystem

(continued...)

10. NCPA protested the CAISO's proposed allocation of the tier 2 costs to load-following metered subsystem entities as inconsistent with its metered subsystem agreement.¹² NCPA argued that pursuant to section 13.10.2 of its metered subsystem agreement with the CAISO, NCPA has elected to be a load-following entity, and is therefore not eligible for recovery of minimum load costs and start-up costs.¹³ In return, section 13.10.2 provides that the scheduling coordinator for NCPA bears its proportional share of minimum load and start-up costs incurred by the CAISO based on NCPA's net negative uninstructed deviations.¹⁴ According to NCPA, to the extent it elects not to seek recovery of those bid costs and has sufficiently met its load obligations, it is not relying on CAISO resources to cover its needs and, therefore, should not be exposed to general CAISO market costs unrelated to its operations. NCPA contended that the socialization of these market costs under the CAISO proposal is contrary to the fundamental principle of load-following metered subsystem operation.¹⁵

11. In the June 20 Order, the Commission rejected the CAISO's proposal to allocate tier 2 forward market bid costs to load-following metered subsystem entities. The Commission noted that NCPA's metered subsystem agreement includes a load-following option which exempts NCPA from recovery of start-up and minimum load costs in return for being required to pay imbalance charges only to the extent that it leans on the CAISO grid. The Commission directed the CAISO to honor the terms and conditions of its metered subsystem agreements and to modify its tariff accordingly.¹⁶

aggregation, plus any exports out of the CAISO control area from the metered subsystem aggregation. *See* CAISO August 3, 2007 Compliance Filing, Docket No. ER07-1257-000 *et al.*, Volume 2.

¹² June 20 Order at P 143.

¹³ *See* Service Agreement No. 457 under the ISO First Replacement Tariff Vol. No. 1.

¹⁴ NCPA September 7, 2007 Filing, Docket No. ER06-615-011, *et al.*, at 4 (citing Service Agreement No. 457 under the ISO First Replacement Tariff Vol. No. 1).

¹⁵ According to NCPA, a fundamental principle of load-following metered subsystem operation is to limit reliance on the market by making use of a utility's own resources, which in turn limits exposure to generalized market costs not related to its operations. *See* June 20 Order at P 146.

¹⁶ *Id.* P 153.

1. CAISO Rehearing Request

12. The CAISO requests clarification of the Commission's directive in the June 20 Order to honor the terms and conditions of the CAISO's metered subsystem agreements. Specifically, the CAISO seeks clarification as to whether load-following metered subsystem entities should be exempt from payment of tier 2 forward market bid cost recovery uplift charges, or whether these charges should be allocated to such entities based on their net negative uninstructed deviations.

13. According to the CAISO, neither of these two possible interpretations of the June 20 Order is consistent with the MRTU market structure. The CAISO argues that exempting load-following metered subsystem entities from the allocation of tier 2 bid costs would imply that compensation for leaning on the CAISO system would be achieved through energy imbalance charges. The CAISO states that this would provide insufficient compensation for grid use in the forward market. The CAISO further argues that allocating forward market bid costs to load-following metered subsystem entities based on their net negative uninstructed deviations would be illogical since net negative uninstructed deviation is a service that reflects participation in, or leaning on, the real-time market. Therefore, according to the CAISO, use of net negative uninstructed deviation in allocating forward market bid costs would fail to address the way such entities lean on the CAISO system in the day-ahead market.

14. The CAISO argues that while the June 20 Order directed the CAISO to allocate forward market bid costs consistent with the metered subsystem agreement, the current metered subsystem agreement never contemplated a CAISO market structure that includes a day-ahead market. As such, the CAISO contends, the metered subsystem agreement does not address allocation of forward market costs, nor does it provide an exemption from payment of any such costs by metered subsystem entities. According to the CAISO, while language in the metered subsystem agreement regarding allocation of start-up and minimum load costs to load-following metered subsystem entities is appropriate because load following is an inherently real time activity, this language cannot be applied to the allocation of forward market bid costs without ignoring distinctions between the forward and real-time markets.

15. The CAISO further states that bid costs under MRTU contain a number of elements in addition to start-up and minimum load costs. The CAISO argues that if the Commission, in its June 20 Order, intended to only exempt metered subsystem entities from charges relating to start-up and minimum load costs, there would be significant implementation challenges for the CAISO which could undermine the feasibility of this approach.

16. In the alternative, if the Commission declines to grant clarification, the CAISO requests rehearing and requests that the Commission accept the CAISO's previously-filed

tariff language as the appropriate allocation of forward market bid costs to metered subsystem entities and other scheduling coordinators.¹⁷

17. In support of its request, the CAISO argues that the existing language found in the metered subsystem agreement is constructed for a real-time market, and does not address the allocation of forward market costs. Specifically, the CAISO states that differences between the current tariff and the MRTU tariff make the provisions of the metered subsystem agreement difficult, if not impossible, to apply to the MRTU tariff. The CAISO further points to the September 2006 Order in which the Commission declined to direct the CAISO to modify certain MRTU cost components to make the MRTU tariff consistent with the metered subsystem agreement. The CAISO contends that the Commission, in its September 2006 Order, stated that these MRTU cost components represented new market features for California and were subject to section 3.6 of the metered subsystem agreement, which directed parties to amend the metered subsystem agreement to account for components of the MRTU design not known until after the execution of the agreement.¹⁸ The CAISO contends that the same charges at issue in the September 2006 Order are at issue in this proceeding, and argues that a determination here by the Commission that the metered subsystem agreement controls the allocation of these charges would be inconsistent with the September 2006 Order.

18. The CAISO further argues that the bid costs under MRTU are substantially different from the minimum load and start-up costs paid to must-offer generators under the current tariff. Specifically, the CAISO states that minimum load and start-up costs are only components of total bid costs. Instead, the CAISO argues, MRTU bid cost recovery payments are more analogous to the compensation currently paid to out-of-sequence dispatches or to the current bid cost recovery mechanism applied to accepted real-time energy bids, as bid costs recovered under these mechanisms have embedded within them minimum load and start-up costs.

19. The CAISO further argues that the nature of a metered subsystem entity's election not to receive minimum load and startup cost recovery from the CAISO will work differently under MRTU than under the current market structure by eliminating the need for a one-time annual election. The CAISO states that the ability to self-schedule

¹⁷ See proposed MRTU tariff section 11.8.6.4, CAISO August 3, 2007 Compliance Filing, Docket No. ER07-1257-000 *et al.*, Volume 1A at 48.

¹⁸ See CAISO rehearing request at 10 (citing September 2006 Order at P 645). The CAISO notes that section 3.6 of the metered subsystem agreement at issue in the September 2006 Order is identical to section 3.6 of NCPA's metered subsystem agreement with the CAISO.

provides greater flexibility to metered subsystem entities and other scheduling coordinators, and reflects an appropriate adaptation of the language of section 13.10.2 of the metered subsystem agreement into the MRTU context. The CAISO further contends that the self-scheduling provisions of the MRTU tariff automatically provide a correct link between the eligibility of a metered subsystem entity's generators to receive bid cost recovery payments, and the responsibility of its load for bid cost recovery uplift charges.

20. Finally, the CAISO states that load-following is a real-time activity and does not provide a permissible basis for discrimination in the allocation of forward market bid costs. Specifically, the CAISO argues that tier 2 forward market bid costs are associated with CAISO actions (i.e., committing generation resources to resolve congestion, and ensuring grid reliability) which benefit all users of the grid and contends that these costs should be allocated accordingly. The CAISO argues that the election of a metered subsystem entity to be a load-following entity does not reduce the costs associated with these actions, nor does it reduce the benefits that a metered subsystem entity receives.

2. Commission Determination

21. We agree with the CAISO that metered subsystem entities should not be exempt from costs associated with their use of the CAISO-controlled grid. The choice of certain metered subsystem entities to follow their load does not reduce the uplift costs associated with CAISO actions to commit resources to resolve congestion and ensure grid reliability in the forward market. These CAISO actions benefit all users of the grid, and their concomitant costs are incurred on a system-wide basis. These costs are not attributable to any specific entity or group of entities and, therefore, it is necessary to allocate these costs to all grid users on a system-wide basis. As such, the Commission finds that the tier 2 allocation provision proposed by the CAISO in its August 2007 Compliance Filings reflects each entity's reliance on the CAISO grid, and is therefore appropriate for allocation of tier 2 forward market bid costs.

22. Further, we find that it would be inappropriate to allocate forward market bid costs to load-following metered subsystem entities based on their net negative uninstructed deviations, a measure reflecting use of the CAISO-controlled grid in real-time. Net negative uninstructed deviation reflects reliance on the CAISO's real-time market, not the forward market. Therefore, using an entity's net negative uninstructed deviation to allocate forward market bid costs would not adequately compensate the CAISO for costs incurred as a result of their use of the forward market.

23. We also find that the CAISO's current metered subsystem agreements were initially written to address issues associated with allocation of bid costs in an exclusively real-time market structure. We agree with the CAISO that the language contained in these metered subsystem agreements with respect to tier 2 cost allocation is inappropriate for the allocation of forward market bid costs, because it overlooks critical distinctions between the real-time and forward markets. Therefore, we find that these agreements do

not offer sufficient guidance for allocating tier 2 uplift costs associated with a forward market.

24. While MRTU tariff section 11.8.6.4, as previously filed with the Commission in the CAISO's August 2007 Compliance Filings, may be inconsistent with the cost allocation provisions contained in the metered subsystem agreements,¹⁹ we note that this proposed section of the MRTU tariff introduces new market features for California. As we found in the September 2006 Order,²⁰ a new market feature such as this is subject to section 3.6 of NCPA's metered subsystem agreement with the CAISO which states that "[i]f components of the MRTU design are not known until after the execution of this [metered subsystem] Agreement, the Parties agree to amend this Agreement in accordance with Sections 3.4 and 3.5.2."²¹

25. The MRTU tariff section at issue here introduces a new market design element that was developed after the execution of the metered subsystem agreement. As such, the proposed MRTU provision addressing allocation of tier 2 forward market costs is the type of market design change contemplated by section 3.6 of NCPA's metered subsystem agreement with the CAISO. Moreover, the manner in which the CAISO settles its markets has been significantly revised, such that the direct application of section 13.10.2 of this metered subsystem agreement is no longer practicable. Because the CAISO's proposed tier 2 charges are associated with the forward market, which was not part of, or contemplated by, the provisions of the current metered subsystem agreements, the CAISO and the metered subsystem entities must modify their metered subsystem agreements (as required under section 3.6 thereof) to accommodate the new market design element.

26. Accordingly, we grant the CAISO's request for rehearing with respect to its proposal to allocate tier 2 forward market bid costs to load-following metered subsystem entities. We also accept MRTU tariff section 11.8.6.4, as previously filed with the Commission in the CAISO's August 2007 Compliance Filings, as the appropriate mechanism for allocation of forward market bid costs to metered subsystem entities and

¹⁹ See, e.g., section 13.10.2 of Service Agreement No. 457 under the ISO First Replacement Tariff Vol. No. 1.

²⁰ See September 2006 Order at P 645. The language in section 3.6 of the metered subsystem agreements at issue in the September 2006 Order is identical to section 3.6 of NCPA's metered subsystem agreement with the CAISO.

²¹ See section 3.6 of Service Agreement No. 457 under the ISO First Replacement Tariff Vol. No. 1.

other scheduling coordinators. The Commission directs the CAISO to revise its metered subsystem agreements to reflect the changes in the MRTU tariff as discussed herein to the extent that it has not already done so.

B. RUC Zones

27. The RUC process is a separate reliability commitment process run after the forward market, but before the start of the real time market. In the event that the forward market does not commit sufficient resources to meet the CAISO forecast of CAISO demand, the RUC process commits additional resources and identifies additional RUC capacity to ensure sufficient resources to meet the real time demand for each hour of the trading day.²²

28. RUC zones are sub-regions within the CAISO service area used to facilitate the RUC procurement process. The CAISO has the authority under the MRTU tariff to designate RUC zones that represent utility distribution companies or metered subsystem service areas, local capacity areas, or any other collection of nodes.²³

29. In its August 2007 Compliance Filings, the CAISO proposed to provide a description and designation of these RUC zones in its Business Practice Manuals and on its website. In the June 20 Order, the Commission accepted the CAISO's proposal to maintain the designation of the RUC zones in the Business Practice Manual rather than in the MRTU tariff.²⁴

1. SoCal Edison Rehearing Request

30. In its rehearing request, SoCal Edison contends that RUC zones could have a significant impact on rates and should be included in the MRTU tariff rather than in the Business Practice Manuals. SoCal Edison argues that the creation of additional RUC zones beyond the currently defined service areas could increase the possibility of congestion and decrease competition within a zone. Therefore, SoCal Edison argues that in order to ensure there is sufficient competition to satisfy the RUC requirement, market participants must have the opportunity to examine proposed RUC zones. SoCal Edison argues that a requirement for the CAISO to adequately define proposed RUC zones in the MRTU tariff will create a process of review and a proper determination of whether the proposed zone will result in just and reasonable rates. SoCal Edison claims that absent

²² See CAISO MRTU tariff section 31.5.

²³ See MRTU tariff, Master Definitions Supplement.

²⁴ June 20 Order at P 82

such a review process, the Commission has no means of ensuring that a particular RUC zone is competitive and that it will produce just and reasonable rates.

2. Commission Determination

31. The Commission finds that the designation of RUC zones will not have a significant impact on rates, terms, and conditions of service. RUC zones will be used as a way to attain a more accurate and granular forecast of CAISO demand. These zones will not be used to restrict the area from which the CAISO is able to procure capacity to meet projected demand, and as such the zones do not affect congestion, competition or resultant prices as argued by SoCal Edison. In fact, the CAISO states that unit commitment in the RUC process will be done on a system-wide basis.²⁵ As such, there is no more danger of market power in a system with RUC zones than there would be in a system without these zones. The Commission finds that the RUC zones provide the CAISO with a more accurate picture of load in the CAISO system, and as such, the Commission supports giving the CAISO flexibility to design these zones in a way which will best serve the forecasting needs of the CAISO. Accordingly, we deny SoCal Edison's request for rehearing.

C. Allocation of RUC Costs

32. In the April 2007 Order and June 2007 Order, the Commission directed the CAISO to work with SWP to resolve the treatment and allocation of RUC costs to participating load. As a result of the ensuing discussions with SWP, the CAISO proposed to modify section 11.8.6.5.3 of the MRTU tariff in order to clarify that participating load would not be subject to tier 1 allocation of RUC compensation costs.²⁶

33. SoCal Edison protested this modification, arguing that there would be a possibility that participating load would under-schedule in the forward market, resulting in RUC costs that would be allocated to all users of the grid. SoCal Edison argued that the CAISO should only exempt participating load from RUC costs to the extent that participating load is bidding and following CAISO dispatch instructions. In the June 20 Order, the Commission directed the CAISO to modify section 11.8.6.5.3 of the MRTU tariff to clarify that participating load would only be exempt from tier 1 RUC costs to the extent that they do not under-schedule in the forward market.²⁷

²⁵ See CAISO October 5, 2007 Reply Comments at 69.

²⁶ June 20 Order at P 87.

²⁷ *Id.* P 92.

1. SWP Rehearing Request

34. In its request for rehearing and clarification, SWP argues that its participating load should not bear RUC costs when it increases its energy consumption at the CAISO's request or when it responds to price signals. SWP states that it provides significant amounts of non-spinning reserve from its pump loads to the CAISO grid and responds to requests to increase its load to address over-generation problems on the CAISO system. SWP states that, in the forward market, it cannot anticipate when it will be required to follow CAISO dispatch instructions or to respond to price signals to increase pumping load. SWP argues that without an exemption from RUC costs for these activities, it will be penalized for providing demand response. SWP argues that if the Commission allows SWP to be penalized in this way, the Commission will be contravening Congressional and Commission policy by erecting barriers to demand response.

35. SWP further argues that the Commission's determination in this matter was based on an error in fact. SWP argues that RUC costs cannot be the result of the under-scheduling of participating load in the forward market. SWP states that RUC costs are the result of additional resources procured by the CAISO to make up the difference between bids in the forward market and the CAISO forecast of CAISO demand. SWP states that in the CAISO forecast of CAISO demand, the CAISO uses SWP's bid in load schedules as SWP's portion of the CAISO forecast of CAISO demand. As such, SWP argues that no difference can exist between the CAISO forecast of CAISO demand and the SWP's bids in the forward market. Therefore, SWP argues, there can be no RUC costs resulting from under-scheduling of participating load in the forward market.

2. Commission Determination

36. In the June 20 Order, the Commission found that participating load should only be exempt from tier 1 RUC compensation costs to the extent that they do not under-schedule in the forward market.²⁸ However, if participating load under-schedules its load because CAISO dispatch instructions affected its schedules, then it would be unfair to impose tier 1 RUC costs. Accordingly, we clarify that if a participating load under-schedules because it was following CAISO dispatch instructions it should be exempt from tier 1 RUC compensation costs. We find that this exemption provides appropriate protection for participating load. When not following CAISO dispatch instructions, participating load should be treated similarly to all other market participants with regard to these RUC costs, since participating load would share responsibility for these costs along with other entities who under-scheduled in the forward market. While SWP states that it faces uncertainty with respect to anticipating price signals in the real time market, we note that all market participants face similar uncertainties and must weigh the costs and benefits of

²⁸ *Id.*

deviating from their forward market bids. In this respect, SWP should be treated no differently from other market participants.

37. In response to SWP's claim that it cannot cause RUC costs because the CAISO uses SWP's bid in load schedules as SWP's portion of the CAISO forecast of demand, the Commission finds that this is insufficient to exempt SWP from tier 1 RUC compensation costs for those times when deviations are not tied to dispatch instructions from the CAISO. While it is true that the manner in which the CAISO accounts for SWP's portion of the CAISO forecast of CAISO demand means that there will not be a difference between the forecast of SWP's demand and its bid in load schedules, responsibility for RUC costs are not assigned based on how the CAISO forecasts each portion of its demand. Rather, tier 1 RUC compensation costs are allocated based on Net Negative CAISO Demand Deviation, that is, by how much demand was under-scheduled in the forward market.²⁹ This allocation to participating load is reasonable because the purpose of RUC is to procure backup resources in addition to the resources scheduled in the forward market. To the extent that entities under-schedule in the forward market, they create a need for these backup resources and should be charged the appropriate costs. Accordingly, we deny SWP's request for rehearing.

The Commission orders:

(A) The CAISO's request for rehearing is hereby granted, as discussed in the body of this order.

(B) SoCal Edison's request for clarification or rehearing is hereby denied, as discussed in the body of this order.

(C) SWP's request for clarification or rehearing is hereby granted in part and denied in part, as discussed in the body of this order.

By the Commission. Commissioner Kelliher is not participating.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

²⁹ See MRTU tariff section 11.8.6.5.3.